

National Advisory Committee for Labor Provisions of U.S. Free Trade Agreements (NAC) Report

Approved by the full NAC on March 19, 2013

Subcommittee Formation and Goals

At the September 27, 2012, meeting of the NAC in Washington, the NAC agreed to form a subcommittee to offer feedback and recommendations about the research activities of, primarily, the division of Economic and Labor Research (ELR).

Activity Report

Members of the subcommittee include Adam Greene (USCIB), Cathy Feingold (AFL-CIO), Lance Compa (Cornell University), and Raymond Robertson (Subcommittee Chair, Macalester College). Paula Church Albertson (ILAB) is the committee's ILAB intermediary. The committee met via telephone on 17 December 2012. Rebecca Dillender represented Economic and Labor Research (ELR) in an advisory role.

Brief Background

The ELR currently falls under the Office of Trade and Labor Affairs (OTLA) within ILAB. The ELR currently has 5 FTE, but about 2.5 FTE are required to address requests from Congress and short-term issue-related issues. The remaining 2.5 FTE are available for longer-run research projects that might contribute to a longer-run research agenda. The ELR also administers an annual grant-based research program that solicits, evaluates, and funds research projects undertaken by outside researchers. The topics of these have changed somewhat over the years, and the current year's topics have not yet been released. See <http://www.dol.gov/ilab/media/reports/otla/> for a summary of ELR research.

Recommendations

The recommendations of the subcommittee fall into two main categories. The first category involves suggestions for the “big picture” focus that ELR could use to direct research projects for the medium and perhaps long term. The second category involves suggestions for short-run and intermediate-run steps that might be taken using the “big picture” focus as a guide.

The “Big Picture” focus

The first category of “big picture” focus is important for several reasons. The first is that thorough and careful research is time consuming. Without a “big picture” focus, ELR is subject almost entirely to the short-run demands of Congress and the lack of continuity that might occur through changes in leadership. Having a clearly stated “big picture” focus will help increase the quality of the research both supported and produced by ELR.

The primary goal of research is to answer questions; a research-oriented “big picture” focus might therefore be best stated as the questions that the ELR is trying to answer. The criteria considered by the subcommittee included policy relevance (the questions should help guide and improve policy) and ILAB-mission relevance (the questions should relate directly to the responsibilities of the ILAB). As a part of the NAC, the subcommittee recognized that the main area of concern for the NAC is the enforcement of labor provisions in trade agreements. One overarching question emerged.

“What are the necessary conditions for the enforcement of labor provisions in trade agreements?”

This question covers many possible areas for research. The subcommittee recognized that there are at least four areas that are necessary for enforcement of these provisions: economic informality, unions, courts, and corruption. These areas may or may not be affected by trade agreements. Understanding what role, if any, labor provisions in trade agreements might have in addressing these barriers to enforcement is critical for effective policy making.

Another question that surfaced during the meeting may either fall under the umbrella of the above question or rise to be another guiding question. This question is “In what ways do the improvements in working conditions that come from freedom of association affect business?” Freedom of Association plays a key role in the development of unions (which suggests it might fall under the structure of the question above), but it also has many implications for enforcement of labor standards in other areas, which suggests that it might be a guiding question in its own right. A specific possibility of such a study might be a study on the effects of FTAs on the exercise of freedom of association and collective bargaining by all workers in countries with FTAs with the US.

Intermediate Steps

As in any research project, the first step is to take stock of the current literature that relates to the topic. This step might be best taken as a literature review, either commissioned or done in-house. There are advantages to both approaches, and therefore this step deserves further discussion. In either case, however, such a literature review should identify the gaps in current knowledge that are critical for policy that could be filled by the ELR.

The next step would be to try to determine what mix of resources (commissioned papers vs. in-house research) might be most appropriate for filling the gaps identified in the literature review. In particular, the issue of how to institutionalize a long-run research vision needs to be discussed. This discussion would necessarily involve a discussion of how to allocate the ELR’s current scarce resources and what additional resources might be needed to fill these gaps.